

[~113H4691]



(Original Signature of Member)

114TH CONGRESS  
1ST SESSION

**H. R. 640**

To amend the Internal Revenue Code of 1986 to modify the tax rate for  
excise tax on investment income of private foundations.

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IN THE HOUSE OF REPRESENTATIVES

Mr. PAULSEN introduced the following bill; which was referred to the  
Committee on \_\_\_\_\_

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**A BILL**

To amend the Internal Revenue Code of 1986 to modify  
the tax rate for excise tax on investment income of  
private foundations.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. MODIFICATION OF THE TAX RATE FOR THE EX-**  
4 **CISE TAX ON INVESTMENT INCOME OF PRI-**  
5 **VATE FOUNDATIONS.**

6 (a) IN GENERAL.—Section 4940(a) of the Internal  
7 Revenue Code of 1986 is amended by striking “2 percent”  
8 and inserting “1 percent”.

1       (b) ELIMINATION OF REDUCED TAX WHERE FOUN-  
2 DATION MEETS CERTAIN DISTRIBUTION REQUIRE-  
3 MENTS.—Section 4940 of such Code is amended by strik-  
4 ing subsection (e).

5       (c) EFFECTIVE DATE.—The amendments made by  
6 this section shall apply to taxable years beginning after  
7 the date of the enactment of this Act.

8 **SEC. 2. BUDGETARY EFFECTS.**

9       The budgetary effects of this Act shall not be entered  
10 on either PAYGO scorecard maintained pursuant to sec-  
11 tion 4(d) of the Statutory Pay-As-You-Go Act of 2010.